

Exhibit 4

00001

1 IN THE UNITED STATES DISTRICT COURT FOR THE
2 NORTHERN DISTRICT OF CALIFORNIA
3 PHILIP WONG, FREDERIC CHAUSSY,)
4 and Leslie Marie Shearn,)
5 individually, on behalf of the)
6 general public,)
7 Plaintiffs,)
8 vs.) No. 07-CV-2446
9 HSBC MORTGAGE CORPORATION (USA);)
10 HSBC Bank USA, N.A.; and DOES 1,)
11 through 50, inclusive,)
12 Defendants.)
13 The 30(b)(6) deposition of HSBC
14 MORTGAGE CORPORATION, SUSAN R. MARCZAK, called as
15 a 30(b)(6) witness by the Plaintiffs, for
16 examination, taken pursuant to notice, agreement
17 and by the provisions of the Rules of Civil
18 Procedure for the United States District Courts
19 pertaining to the taking of depositions, taken
20 before Patricia A. Armstrong, a Notary Public
21 within and for the County of DuPage, State of
22 Illinois, and a Certified Shorthand Reporter,
23 No. 084-1766, of said state, at 200 North LaSalle
24 Street, Chicago, Illinois, on the 30th day of
25 August, 2007 at 10:00 a.m.

00015

1 BY MR. SCHWARTZ:

2 Q. And Ms. Marczak, I want to direct your
3 attention to the first paragraph, where Ms. Shearn
4 is offered a position in the mortgage department.

5 And you will note that at the bottom of this
6 document, it's marked HSBC Bank USA.

7 Is HSBC Mortgage Corporation the
8 mortgage department for HSBC Bank, USA?

9 A. The mortgage -- there is a legal entity
10 for our mortgage division, and that would be what
11 would be referred to here as the mortgage
12 department.

13 Q. And what is that legal entity?

14 A. I don't know the exact legal name, but
15 it would be HSBC Mortgage. There may be a few
16 letters attached to that, HSBC Mortgage USA, N.A.
17 I'm not sure of that, but it's HSBC mortgage is
18 its own legal entity.

19 Q. Is this HSBC Mortgage that you're
20 referring to different than HSBC Mortgage
21 Corporation USA, N.A.?

22 A. I would consider them the same thing.

23 Q. Okay. So the HSBC Mortgage Corporation
24 is the mortgage department for HSBC Bank; is that
25 right?

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1 A. Yes.

2 Q. I am going to show you -- I am going to
3 show you a document now to be marked as Exhibit 4
4 of the deposition. It's a two-page document,
5 which is a March 2007 version of the HSBC Bank
6 USA, N.A. fact sheet.

7 (WHEREUPON, a certain document
8 was marked Marczak Deposition
9 Exhibit No. 4, for identification,
10 as of August 30, 2007.)

11 BY MR. SCHWARTZ:

12 Q. First of all, I will ask you,
13 Ms. Marczak, are you already familiar with this
14 fact sheet?

15 A. I've seen fact sheets before, yes.

16 Q. Okay. Do you need a moment to review it
17 or are you generally familiar with the document
18 enough to answer questions or two?

19 A. No, I'm generally familiar with the
20 document. It would, of course, depend on your
21 question.

22 Q. Sure.

23 It says here that the total assets on
24 the second page financials, the total assets in
25 2006 of HSBC USA, Inc., are \$168.9 billion. Do

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1 they -- do they say HSBC USA, Inc.?

2 A. I have no idea.

3 Q. And is that something I'd, again, have

4 to talk to finance about?

5 A. Possibly someone in finance would be

6 able to answer that question. It's certainly not

7 something that I know.

8 Q. On Exhibit 2 of the deposition, are

9 these all of the officers for HSBC Bank USA, N.A.?

10 A. These would be the senior level

11 officers.

12 Q. For HSBC Bank?

13 A. For HSBC Bank USA.

14 Q. Okay.

15 A. N.A.

16 Q. The second page of this Exhibit 4, the

17 fact sheet, it has a contact for group public

18 affairs in New York, Linda Recupero, that's

19 R-e-c-u-p-e-r-o.

20 Is she the public affairs contact for

21 HSBC Bank USA, N.A. and also HSBC Mortgage

22 Corporation?

23 A. Yes, she is.

24 Q. And is she also the public affairs

25 contact for HSBC USA, Inc.?

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1 A. Yes, she is.

2 Q. Is she the public affairs contact for
3 any other entities that you are aware of?

4 A. Not that I'm aware of.

5 Q. Where on your org chart, Exhibit 2 of
6 the deposition, is Miss -- or is the public
7 affairs operations for all of these entities?

8 A. She is not on this org chart.

9 Q. Wall, actually, now, I'm sorry, you
10 know, I answered my own question because I see her
11 under COO, chief operating officer, David Dew.

12 A. Oh, there she is. I'm sorry. Yes, she
13 is.

14 Q. Okay. Does HSBC Mortgage Corporation
15 USA have a CEO?

16 A. No, they do not.

17 Q. Does HSBC Mortgage Corporation USA have
18 a chief operating officer?

19 A. No.

20 Can I clarify that?

21 Q. Sure.

22 A. They could have people operating in that
23 function. I've not seen that -- those
24 designations on an organization chart.

25 Q. What do you mean by that?

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1 A. HSBC Mortgage Corporation provides
2 products and services for HSBC Bank USA's
3 customers.

4 Q. Okay. Well, on the facts sheet that I
5 showed you, which was Exhibit 4, it talks about
6 lines of business. And it says, "Personal
7 Financial Services provides" et cetera. And then
8 it says, "Residential Mortgage Lending provides
9 loan financing through several origination
10 channels."

11 Is that a reference to the HSBC Mortgage
12 Corporation?

13 A. Yes, it is.

14 Q. So the mortgage corporation is one of
15 the -- is part of one of the lines of business of
16 HSBC Bank USA?

17 MS. BARRETT: Objection. The document speaks
18 for itself.

19 BY MR. SCHWARTZ:

20 Q. Is that accurate?

21 A. It's a product that's provided to the
22 customers. The technicality of how the legal
23 entities work is really -- this is a simple fact
24 sheet for our customers. I don't think it goes to
25 the exact legal definition that you are trying to

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1 get to.

2 Q. I'm just trying to understand, actually.

3 I'm not trying to get to any exact legal anything.

4 I'm just trying to understand what the mortgage

5 corporation is.

6 So it's a -- it's a product that HSBC

7 Bank provides is the mortgage corporation?

8 A. Mortgages are a product that HSBC Bank

9 provides. The corporation isn't a product.

10 Q. Okay. So HSBC Mortgage Corporation USA

11 is the device that HSBC Bank has -- HSBC Bank USA,

12 N.A. has for delivering the mortgage product?

13 A. That's true.

14 Q. Okay. The headquarters for the HSBC

15 Bank USA, N.A., where you work, that's in Buffalo;

16 correct?

17 A. No, that's not the legal headquarters.

18 Q. Oh, what is the headquarters for the

19 bank?

20 A. The headquarters is in Wilmington,

21 Delaware.

22 Q. I see. And what office do you work at

23 in Buffalo then?

24 A. I work in the Buffalo -- you could call

25 it the Buffalo headquarters, if you will. But

00034

1 would -- checks in the way I was talking about,
2 where you walk into a branch and cash a check,
3 those would all be processed through bank
4 operations.

5 Mortgage would have its own operations
6 that would handle the mortgage product. But if
7 you, as a customer, walked into a branch to make a
8 payment on your mortgage, that would go through
9 bank operations.

10 BY MR. SCHWARTZ:

11 Q. The HSBC Mortgage Corporation, does it
12 have branches that are separate from the branches
13 of HSBC Bank?

14 A. No, it doesn't.

15 Q. Okay. And we were up to Mr. Kaiser.
16 Who else is in the Buffalo office?

17 A. Mike Ebbs, E-b-b-s. He is the chief
18 information officer. He is in the Buffalo office.

19 Joseph Simpson, S-i-m-p-s-o-n, he is the
20 EVP -- he is an EVP in finance. He is in the
21 Buffalo office.

22 Michael Doherty, D-o-h-e-r-t-y, he is
23 the EVP -- he is another EVP in finance. He is in
24 the Buffalo office.

25 Q. Now, here -- let's just do the last

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1 person you mentioned, Mr. Doherty, it says he is
2 in charge of ALCO Capital Management. What does
3 that mean?

4 A. I can't actually explain that. ALCO has
5 something to do with the way the bank manages its
6 money, the assets and liabilities and how it's
7 managed. But I can't give you a better definition
8 than that.

9 Q. Okay. Going back, the other people you
10 just mentioned, Mr. Ebbs, the CI -- the chief
11 information officer.

12 A. Yes.

13 Q. Is he the chief information officer also
14 for HSBC Mortgage Corporation?

15 MS. BARRETT: Objection; goes beyond the scope
16 of the deposition notice.

17 BY THE WITNESS:

18 A. Yes. He would provide those services
19 for the Mortgage Corporation.

20 BY MR. SCHWARTZ:

21 Q. Okay. And Mr. Simpson, you said he is a
22 controller?

23 A. Yes.

24 Q. What does that position entail?

25 A. Again, it's a position that oversees

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1 guess I'm saying I don't know.

2 Q. Okay. What I was getting at is, I mean,

3 he would -- presumably he would think -- he would

4 do something like we, you know, now, okay, now

5 the -- what do you call them, the -- the sub prime

6 collapse, so we are going to have to -- you know,

7 and there's a lot of talk about jumbo loans, and

8 we can't give so many jumbo loans, these kinds of

9 decisions about -- presume those have something to

10 do with credit risk and policy, I would assume; is

11 that right?

12 MS. BARRETT: Objection; calls for

13 speculation.

14 BY THE WITNESS:

15 A. I think that you could assume that's

16 true, and there would be some coordination or

17 collaboration between the mortgage corporation and

18 what Mr. Zeller does in his position.

19 BY MR. SCHWARTZ:

20 Q. Anybody else among the senior managers

21 that works out of the Buffalo headquarters?

22 A. No.

23 Q. So your supervisor, Miss Ebersole, she

24 is out of the New York City office?

25 A. That's correct.

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1 Q. And is she the head of human resources
2 operation over HSBC Mortgage Corporation, as well?

3 A. Yes.

4 Q. Let's take a look at --

5 A. Can I clarify that statement?

6 Q. Yes.

7 A. There are not any HSBC -- there are not
8 any human resources people that are in the HSBC
9 Mortgage Corporation.

10 HSBC Banking USA, N.A. provides the
11 human resources services for the mortgage
12 corporation.

13 Q. Thank you. That helps.

14 Okay. Let's take a look at Exhibit 6 of
15 the deposition. It's another fact sheet. This is
16 the fact sheet for HSBC North America Holdings,
17 Incorporated.

18 (WHEREUPON, a certain document
19 was marked Marczak Deposition
20 Exhibit No. 6, for identification,
21 as of August 30, 2007.)

22 BY MR. SCHWARTZ:

23 Q. And this fact sheet describes that HSBC
24 North America is the holding company for all of
25 HSBC's U.S. and a Canadian businesses; do you see

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1 are of the HSBC North America Holdings Company.

2 There may not be employees of that.

3 Q. Okay. Can you tell me what is the HSBC

4 Finance Corporation that you just mentioned that

5 has its headquarters in Prospect Heights,

6 Illinois?

7 A. The HSBC Finance Corporation is what was

8 formerly the Household Finance Corporation that

9 was acquired by HSBC Group in 2003.

10 Q. And so HSBC Finance Corporation, which

11 was formerly Household, is part of HSBC North

12 America Holdings, Inc., at this point?

13 A. Well, if you look at the top of that

14 second page of your fact sheet that you provided

15 that's Exhibit 6, you will see the HSBC Finance

16 Corporation.

17 Q. I see.

18 HSBC Finance Corporation is not part of

19 HSBC Bank USA, N.A. at all?

20 A. That's correct.

21 Q. So the employees of HSBC Bank USA, N.A.

22 and HSBC Mortgage Corporation, they have no

23 interaction with HSBC Finance Corporation?

24 A. That's not true.

25 Q. Okay. What is their interaction, if

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1 any?

2 A. The HSBC Finance Corporation would have
3 from the HSBC Bank USA, N.A. portion --
4 perspective, provides some services for HSBC Bank
5 USA, N.A.

6 Q. Like what, for example?

7 A. Payroll processing. That's not correct.

8 There is another group, another legal
9 entity called HSBC Pay Services that provides
10 payroll services.

11 HSBC Finance Corporation provides
12 services such as compensation evaluation,
13 preparation of job descriptions, compensation
14 programs. That's provided by HSBC Finance
15 Corporation to HSBC Bank USA, N.A.

16 Q. So the HSBC Finance Corporation would
17 make decisions about job descriptions or
18 compensation that would apply to the HSBC Mortgage
19 Corporation?

20 MS. BARRETT: Objection; goes beyond the scope
21 of the deposition notice.

22 BY THE WITNESS:

23 A. Yes. The -- well, let me clarify your
24 word, you said "decisions."

25 They would work with the business to

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1 develop the job descriptions and to provide the
2 appropriate market information for those jobs as
3 far as compensation, to the business.

4 BY MR. SCHWARTZ:

5 Q. So, then, compensation and job
6 descriptions, what you were just discussing, that
7 would have some interaction with your human
8 resources department; correct?

9 A. Human resources would work with the
10 business, but it's really the business, such as
11 HSBC Mortgage Corporation. They are the business
12 owners. They would be the ones responsible for
13 saying what the jobs are, what do they do, what
14 are the responsibilities of the job, working with
15 compensation.

16 Human resources is a party to that, but
17 the information and the decision is made between
18 compensation and the business.

19 Q. When you say "the business," in this
20 case, you are referring to HSBC Mortgage
21 Corporation?

22 A. Yes.

23 Q. And who's your contact at HSBC Finance
24 Corporation who works with compensation and job
25 descriptions?

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1 A. The head of that compensation area, that
2 position is currently vacant. The next person
3 would be a woman called Stacy Brown.

4 Q. What is -- do you know Stacy Brown's
5 position?

6 A. I don't know her exact title.

7 Q. But she is an employee of HSBC Finance
8 Corporation who works with HSBC Bank and with HSBC
9 Mortgage Corporation on compensation and job
10 description issues?

11 MS. BARRETT: Objection; assumes facts not in
12 evidence.

13 BY THE WITNESS:

14 A. Yes.

15 BY MR. SCHWARTZ:

16 Q. Is there any other service that HSBC
17 Finance Corporation provides for HSBC Bank and
18 HSBC Mortgage Corporation?

19 MS. BARRETT: Objection; compound. It goes
20 beyond the scope of the deposition notice.

21 BY THE WITNESS:

22 A. There is a relationship between HSBC
23 Mortgage Services, which is a business of the HSBC
24 Finance Corporation, and the HSBC Mortgage
25 Corporation.

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1 A. Any salary changes are processed through
2 HSBC Payroll Services, which is a function
3 provided for the Bank and the mortgage corporation
4 out of Chicago, which is part of the HSBC Finance
5 Corporation.

6 Q. Who is in charge of HSBC Payroll
7 Services within the HSBC Finance Corporation?

8 MS. BARRETT: Objection; goes beyond the scope
9 of the deposition notice.

10 BY THE WITNESS:

11 A. Excuse me. A woman named Terri,
12 T-e-r-r-i, Pearce, P-e-a-r-c-e.

13 BY MR. SCHWARTZ:

14 Q. What is her title?

15 A. I don't know her exact title. I can
16 assume it's group director human resources.
17 That's a general title.

18 Q. And would -- so would her area,
19 Miss Terri Pearce, would they provide the same
20 sort of service, compensation -- I'm sorry,
21 salary, payroll services for HSBC Mortgage
22 Services, HSBC Mortgage Corporation, all of these
23 entities?

24 A. Yes.

25 Q. Okay. When did this switch happen, from

00056

1 out of human resources.

2 Q. How many total employees does HSBC Bank

3 USA N.A. have?

4 A. Approximately 14,000.

5 Q. And when you say 14,000, that includes

6 all of the employees under every box on this

7 organizational chart, Exhibit 2; is that right?

8 A. Every box except those that are grayed

9 out.

10 Q. What does that mean, boxes that are gray

11 on the organizational chart?

12 A. The grayed -- the gray, if you look at

13 the legend at the bottom, it denotes none-HSBC

14 Bank, it denotes non-HSBC USA, Inc., employees.

15 They would belong to other legal entities.

16 Q. I see. But the employees of HSBC

17 Mortgage Corporation USA, those are HSBC Bank

18 employees?

19 A. They are not technically considered bank

20 employees because they have their own -- its own

21 legal entity. They would be considered HSBC Bank

22 USA, Inc., employees.

23 Q. I see. So they are part of the 14,000

24 that you stated?

25 A. Yes.

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1 (WHEREUPON, a certain document
2 was marked Marczak Deposition
3 Exhibit No. 10 for identification
4 as of August 30, 2007.)

5 BY MR. SCHWARTZ:

6 Q. If you go on HSBC's web site, it's
7 Exhibit 10 of the deposition, and click on
8 mortgage, this is what comes up. It's a one-page
9 document, it says "Mortgage Central" at the top.

10 Are you familiar with the HSBC web site?

11 A. From my own use of the web site, yes.

12 Q. And this would -- if you apply for a
13 mortgage through the HSBC web site, you will be
14 getting that mortgage through the HSBC Mortgage
15 Corporation USA; is that right?

16 A. Yes, that's right. Assuming you get a
17 mortgage. You can apply, but you just don't get
18 one just because you apply.

19 Q. Okay. I was not insinuating that
20 everybody who applies gets one or else we could
21 just cut the deposition off here and go get a --
22 apply for a mortgage real quick.

23 That would be beyond the scope of the
24 deposition.

25 The mortgage corporation, HSBC Mortgage

00062

1 Corporation, that doesn't have any kind of
2 separate web site or anything, does it? It's part
3 of the same HSBC web site?

4 MS. BARRETT: Objection; goes beyond the scope
5 of the deposition notice.

6 BY THE WITNESS:

7 A. I don't -- I think if you -- from a
8 customer standpoint, you would only go through --
9 we would only want you to go through one portal.
10 So I wouldn't think we would direct customers to a
11 separate web site.

12 BY MR. SCHWARTZ:

13 Q. And the HSBC Mortgage Corporation uses
14 the same logo as HSBC Bank or -- or for that
15 matter, all the HSBC entities, the little red bow
16 tie thing?

17 A. The red bow tie thing is the group logo
18 for the entire HSBC group.

19 Q. Including the mortgage corporation and
20 the bank; correct?

21 A. Correct.

22 Q. I don't know if it's supposed to be a
23 bow tie, by the way, but I can't think of how else
24 to describe that shape, although I recognize it,
25 so I guess it works.

00063

1 I will show you a document to mark as
2 Exhibit 11 of the deposition.
3 This is a news release on your web site
4 about a mortgage -- an HSBC Mortgage Corporation
5 USA employee.

6 (WHEREUPON, a certain document
7 was marked Marczak Deposition
8 Exhibit No. 11 for identification,
9 as of August 30, 2007.)

10 BY MR. SCHWARTZ:

11 Q. The mortgage corporation's press or PR
12 or public relations entity, it's -- all of that
13 would go through the bank; correct?

14 A. It would go through group public
15 affairs.

16 Q. Group public affairs.

17 Where is group public affairs?

18 A. That was the position occupied by Linda
19 Recupero.

20 Q. Okay. I see, group public affairs,
21 right.

22 And so -- so she -- okay. And you
23 testified earlier, she does -- she does news
24 releases and public relations for all of the bank,
25 including HSBC Mortgage Corporation; correct?

00064

1 A. That's correct.

2 Q. And let's go to the HSBC Mortgage
3 Corporation USA fact sheet from April 2007. This
4 is Exhibit 12.

5 (WHEREUPON, a certain document
6 was marked Marczak Deposition
7 Exhibit No. 12 for identification
8 as of August 30, 2007.)

9 BY MR. SCHWARTZ:

10 Q. Is the headquarters here, DePew,
11 New York, that's different than -- I don't know
12 where DePew, New York is.

13 That's different than Buffalo, though?

14 A. DePew is a suburb of Buffalo.

15 Q. Okay. Is this a different office than
16 the HSBC Bank's headquarters?

17 A. It's a different office than the main
18 office in Buffalo, yes.

19 Q. Okay. Is that office occupied only by
20 the HSBC Mortgage Corporation?

21 A. Yes.

22 Q. And the -- on the fact sheet here,
23 Exhibit 12, it says that there are a retail sales
24 staff of over 340 loan officers.

25 Do you see where it says that under

00070

1 Corporation?

2 A. No.

3 Q. The Household International HFC and

4 Beneficial Brands, are those all part of HSBC

5 Finance Corporation?

6 A. Yes.

7 Q. Who is responsible for the labor

8 relations for the Bank?

9 A. Can you define labor relations?

10 Q. I mean, I think you are, but I just want

11 to be clear.

12 The employee complaints or issues that

13 employees would raise regarding any legal claims

14 that they have, anything like that?

15 A. If an employee had a complaint, there

16 are different routes for them to take depending

17 upon the complaint they had or the question they

18 had.

19 Q. What are those routes?

20 A. If you had a payroll question, then you

21 would reach out to the payroll services area.

22 Q. That's the one that's under HSBC Finance

23 Corporation?

24 A. Right, it's the HSBC Pay -- Pay

25 Services.

00071

1 Q. Which is part of HSBC Finance
2 Corporation?

3 A. Yes.

4 Q. Okay. So that's where the payroll
5 complaint would go.

6 What other -- okay, so if you had a --

7 A. You --

8 Q. Go ahead.

9 A. An employee could raise an issue to a
10 manager, their manager.

11 They could raise an issue to their human
12 resources representative. There is something
13 called the employee tip line that they could call
14 and raise an issue.

15 Q. Where is the employee tip line in that
16 organizational chart?

17 A. It's not on that organizational chart.
18 It's a third-party vendor that's contracted
19 through -- I believe it's contracted through HSBC
20 Pay Services.

21 Q. And what about a discrimination issue,
22 where would an employee of the bank or any of the
23 entities on this org chart, where would they go
24 with a discrimination issue?

25 MS. BARRETT: Objection; compound.

00072

1 BY THE WITNESS:

2 A. They could go to any number of places.

3 They don't even have to come to anyone at the

4 Bank.

5 I mean, they could go to the State

6 Division of Human Rights, they could go to the

7 EEOC.

8 BY MR. SCHWARTZ:

9 Q. No, I understand that.

10 I mean, within your organization, if

11 they were going to go to somebody about a

12 discrimination issue, for example, who would an

13 employee go to?

14 A. They could go to their manager, they

15 could go to human resources. They could call that

16 tip line that I mentioned.

17 Q. Is there somebody who has EEO

18 responsibility in human resources?

19 A. Yes, there is.

20 Q. Who is that?

21 A. That would be someone in that -- that

22 works for Terri Pearce in that HSBC Pay Services

23 Corporation.

24 Q. So, if somebody at the HSBC Mortgage

25 Corporation had an EEO issue, they would go to

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1 somebody in Terri Pearce's organization?

2 MS. BARRETT: Objection; goes beyond the scope
3 of the deposition notice.

4 BY THE WITNESS:

5 A. The question you asked me was who had
6 EEO responsibilities. And that's what I answered.

7 BY MR. SCHWARTZ:

8 Q. Right, that's what I mean.

9 A. If I had a question -- a discrimination
10 issue, it would depend on the situation who I went
11 to. There isn't an answer that is cut and dry, it
12 would be very situational.

13 Q. There's nobody with EEO responsibility
14 at the HSBC Mortgage Corporation specifically; is
15 that right?

16 A. That would have that specific
17 designation, no.

18 Q. Have that area of responsibility, that's
19 what I mean.

20 MS. BARRETT: Objection; calls for a legal
21 conclusion.

22 BY MR. SCHWARTZ:

23 Q. Is that correct?

24 A. There is no one with a designation that
25 they are responsible for EEO issues at the

00074

1 mortgage corporation.

2 Q. If an employee had some other type of
3 complaint about a manager, something the manager
4 was doing, and it wanted to speak to somebody at
5 the company, where -- what's their route
6 typically, other than you mentioned the tip line,
7 who do they -- who are they supposed to go to?

8 MS. BARRETT: Objection; vague and ambiguous
9 as to company.

10 BY THE WITNESS:

11 A. The general practice would be that you
12 would escalate through the chain of command the
13 next senior manager within your business
14 organization, or you would talk to the human
15 resources representative responsible for your
16 business.

17 BY MR. SCHWARTZ:

18 Q. Okay.

19 Is Jeanie Jennings, is she an employee
20 of the HSBC Bank?

21 A. Yes.

22 Q. Where are timekeeping practices set
23 forth within the organization?

24 MS. BARRETT: Objection; vague and ambiguous
25 as to organization.

00076

1 employees?

2 A. There is a policy concerning time entry,

3 yes.

4 Q. Okay. Where does that policy generate

5 from?

6 A. That policy is provided by -- it's

7 generated by the -- the people responsible for

8 policy development, who are part of HSBC Finance

9 Corporation.

10 Q. And overtime practices, in terms of any

11 guidance that employees would receive on overtime,

12 would that also come from HSBC Finance

13 Corporation?

14 A. Yes.

15 Q. That's Miss Pearce's organization?

16 A. Well, not the policy development group,

17 they are not part of Terri Pearce's group.

18 Q. Who is responsible for the policy

19 development group for HSBC Finance Corp?

20 A. That position is currently vacant. For

21 the head of that area, the woman responsible below

22 that would be a woman named Dawn Kalamaras,

23 K-a-l-a-m-a-r-a-s.

24 Q. What is Ms. Kalamaras' area of

25 responsibility?

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1 A. She is responsible for benefits design.

2 Q. Who has overall responsibility for the
3 policy development relating to overtime practices?

4 MS. BARRETT: Objection; goes beyond the scope
5 of the deposition notice.

6 BY THE WITNESS:

7 A. The individual I just named,
8 Miss Kalamaras, is responsible for policy
9 development.

10 BY MR. SCHWARTZ:

11 Q. Including -- because her title says
12 something about benefits, so I didn't -- but
13 that's her -- that's -- she is responsible?

14 A. I didn't say that the title necessarily
15 matched the job responsibilities, but that's the
16 title.

17 Q. Okay. Does HSBC Mortgage Corporation
18 have any separate officials responsible for
19 overtime policy?

20 MS. BARRETT: Objection; goes beyond the scope
21 of the deposition notice?

22 BY THE WITNESS:

23 A. No, they don't.

24 BY MR. SCHWARTZ:

25 Q. And HSBC Mortgage Corporation doesn't

00078

1 have any separate official responsible for

2 timekeeping practices?

3 MS. BARRETT: Objection; goes beyond the scope

4 of the deposition notice and the individual's

5 knowledge.

6 BY THE WITNESS:

7 A. No.

8 BY MR. SCHWARTZ:

9 Q. Who made the determination that senior

10 retail mortgage lending consultants and retail

11 mortgage lending consultants at HSBC Mortgage

12 Corporation would be classified as exempt?

13 A. Who made that determination? I don't

14 know.

15 Q. Who would know that?

16 A. It would depend on when that

17 determination was made. I don't know when that

18 job was created. I don't know the history of that

19 job.

20 Q. Who would know?

21 MS. BARRETT: Objection; vague and ambiguous

22 as to the time period. Is this ever in the

23 history of the job being in existence?

24 BY MR. SCHWARTZ:

25 Q. Who currently employed at HSBC or any of

00079

1 its many entities would be aware of the history of
2 that job, those jobs, senior retail mortgage
3 lending consultant and retail mortgage lending
4 consultant?

5 A. It would be the compensation area has
6 responsibility for the job descriptions and the
7 determination whether a job is exempt or
8 nonexempt.

9 Q. That's -- and compensation is -- at HSBC
10 Finance Corporation is Miss Pearce?

11 A. No, that was Miss Brown.

12 Q. Miss Brown. But she is also at HSBC
13 Finance Corporation?

14 A. That's true.

15 Q. Does HSBC Mortgage Corporation have a
16 legal unit?

17 MS. BARRETT: Objection; goes beyond the scope
18 of the deposition notice.

19 BY THE WITNESS:

20 A. I don't believe they have their own
21 legal unit.

22 BY MR. SCHWARTZ:

23 Q. So the Janet Burak legal and compliance
24 unit, that would -- they'd be -- that would be the
25 legal unit also, legal and compliance unit also

00080

1 for HSBC Mortgage Corporation?

2 A. I believe so.

3 Q. Where in the organization are HSBC

4 mortgage loan products developed?

5 MS. BARRETT: Objection; goes beyond the scope

6 of the deposition and beyond the witness'

7 knowledge.

8 BY THE WITNESS:

9 A. I can only assume that there is some

10 function within the mortgage corporation that

11 develops those products. I don't know for a fact.

12 BY MR. SCHWARTZ:

13 Q. And who would be responsible for

14 publishing materials used by -- used throughout

15 the bank?

16 A. That's a pretty broad question.

17 Can you be more specific about

18 materials?

19 Q. Sure. Brochures, business cards,

20 fliers, posters?

21 A. If you are talking about the normal

22 customer communication, brochures about products,

23 there is a marketing group that's responsible for

24 that.

25 Q. Where in your Exhibit 2 organizational

00081

1 chart is the marketing group?

2 A. That would be under Kevin Newman's area,

3 and it is a box called marketing, and it has Kevin

4 Martin as the EVP.

5 Q. I see.

6 And that marketing unit also does all

7 the marketing in terms of those promotional

8 materials and brochures and things for the HSBC

9 Mortgage Corporation?

10 MS. BARRETT: Objection; assumes facts not in

11 evidence.

12 BY THE WITNESS:

13 A. They would be responsible for any

14 customer marketing materials.

15 BY MR. SCHWARTZ:

16 Q. For the mortgage corporation?

17 MS. BARRETT: Objection; assumes facts not in

18 evidence.

19 BY THE WITNESS:

20 A. When I say "customer," we look at the

21 customer as an entity and any relationships he

22 has, whether it be mortgage or bank products.

23 The customer doesn't know the

24 difference. So we have a seamless customer view.

25 So, to the customer, it doesn't matter where they

00082

1 get their product from. So it's --

2 BY MR. SCHWARTZ:

3 Q. It's all HSBC?

4 A. To them, to a customer, it's all HSBC,

5 correct.

6 Q. So any customer-related materials for

7 any HSBC entities in the U.S., they are going to

8 come from this marketing, Kevin Martin?

9 MS. BARRETT: Objection; assumes facts not in

10 evidence.

11 BY THE WITNESS:

12 A. For any products that are offered

13 through the bank, they would come through

14 marketing, the bank branches.

15 BY MR. SCHWARTZ:

16 Q. The bank branches. And when you say

17 that, you are including the mortgage corporation?

18 A. Yes.

19 (WHEREUPON, a certain document

20 was marked Marczak Deposition

21 Exhibit No. 14 for identification

22 as of August 30, 2007.)

23 BY MR. SCHWARTZ:

24 Q. I show you a document now previously

25 marked by Defendant as MORT8, a one-page document,

00083

1 Acknowledgement of HSBC Bank USA, N.A. Human

2 Resources Policies, Exhibit 14 to the deposition.

3 This is a -- as you can see, it's an

4 acknowledgement signed by a new employee, who is

5 one of the Plaintiffs in this case, Frederik

6 Chaussy.

7 Are you familiar with this sort of

8 document?

9 A. Yes, there are -- yes.

10 Q. And a new employee, whether he or she

11 worked for the mortgage corporation or any other

12 part of the bank, would receive some -- a similar

13 document to this from the HSBC Bank USA, N.A.; is

14 that right?

15 A. It's a document similar to this. I

16 can't state that it says exactly this. It's

17 certainly been -- there has been revisions over

18 time.

19 Q. But the -- whether the employee worked

20 for mortgage -- in the mortgage arm or in

21 marketing or in HR, they would receive the same

22 human resources policies and they would receive

23 the same form to acknowledge those policies; is

24 that correct?

25 A. Yes.

00085

1 it.

2 BY MR. SCHWARTZ:

3 Q. What -- what do you have now instead of
4 a handbook?

5 A. You have an -- it's on-line, all of the
6 information is on-line. There isn't a handbook
7 per se as there was in 2002.

8 Q. Good, paper elimination, good thing.

9 So -- but it's the same idea, it's
10 basically an on-line handbook?

11 A. It's an on-line -- it's the on-line
12 policies, and it's -- yes.

13 Q. And so, the employees on-line handbook
14 or policies that employees receive now, they
15 similarly, whether they work for the mortgage
16 corporation or any of the other entities on your
17 organizational chart, Exhibit 2, they would sign
18 an acknowledgement of having read the overall
19 Bank's employee policy -- the policies or
20 handbook?

21 A. Well, the bank doesn't have its own
22 policies. The policies are established for across
23 North America by the group under HSBC Finance
24 Corporation.

25 So what they are acknowledging is

00086

1 something that any North American employee

2 acknowledges. There aren't special bank policies.

3 Q. I see. So the policies now come from

4 HSBC Finance Corporation for all employees?

5 A. Yes.

6 Q. And who is responsible for those?

7 A. That was the individual, Dawn Kalamaras,

8 that I mentioned earlier.

9 Q. Okay. So she is responsible for all

10 employee policies that new employees would have to

11 sign, whether they worked at the HSBC Mortgage

12 Corporation or HSBC or the Bank in the marketing

13 group or any of these other groups?

14 A. She is responsible -- there is common

15 policies across North America, and she is

16 responsible for those human resource policies.

17 (WHEREUPON, a certain document

18 was marked Marczak Deposition

19 Exhibit No. 16 for identification

20 as of August 30, 2007.)

21 BY MR. SCHWARTZ:

22 Q. I will show you another document

23 previously marked by Defendant MORT5 through 7.

24 It is a three-page document of March

25 2006, which is an offer letter for Frederik

00096

1 the ways that senior retail mortgage lending
2 consultants or any other position at HSBC Mortgage
3 Corporation in that unit, are you familiar with
4 any differences that exist at different parts of
5 the country or anything like that?

6 A. I'm not sure I understand your question.

7 Q. If you are familiar with any differences
8 that exist in the way that they are paid in
9 different parts of the country or anything of that
10 nature, is that something that you would be
11 familiar with?

12 A. I can tell you overall that there is a
13 geographic pay difference for any positions across
14 the country.

15 We would pay New York City employees at
16 a higher -- we call it a market data point. If
17 you think of it as the mid point of a job. There
18 would be a higher mid point in general for a New
19 York City employee versus a Buffalo employee. So
20 there is a geographic difference, but that is the
21 only difference.

22 Q. Okay. And that would be true for any
23 part of HSBC Bank, including the HSBC Mortgage
24 Corporation again?

25 A. That's true.

00098

1 imply to me something different. We just call it
2 a geographic difference.

3 Q. Okay. A geographic differential, but
4 basically more expensive areas in the country,
5 employees have to get paid more; is that the
6 general idea?

7 A. Yes.

8 Q. Okay. So the geographic difference --
9 other than that geographic differential, are there
10 any other regional differences that exist within
11 job X at the mortgage corporation or other parts
12 of the bank?

13 MS. BARRETT: Objection. Again, this is a
14 bank witness, I don't know that she can testify
15 about different entities.

16 BY THE WITNESS:

17 A. I can only tell you that that's the
18 structure that's used. I couldn't tell you the
19 specifics what might happen to each job.
20 Obviously, an individual within a job would
21 perhaps have more experience so they may be paid
22 more than someone else in the same job with less
23 experience.

24 That would be the only other difference
25 that a job would generally have.

00103

1 BY THE WITNESS:

2 A. Yes.

3 BY MR. SCHWARTZ:

4 Q. Is this policy represented here in
5 Exhibit 17, is that a policy that all employees
6 under the umbrella of HSBC North America Holdings,
7 Inc., have to sign when they are hired?

8 A. Yes.

9 Q. Are there other policies, employment
10 policies, that apply across all of HSBC North
11 America Holdings, Inc.?

12 MS. BARRETT: Objection; beyond the scope of
13 the deposition notice.

14 BY THE WITNESS:

15 A. All the applied -- all the policies
16 apply -- the HR policies all apply across the U.S.
17 Canada has a different set of policies because
18 they have different -- they just have a different
19 set of policies.

20 But across the entire U.S., there is
21 only one set of HR policies.

22 BY MR. SCHWARTZ:

23 Q. So -- and those are all administered by
24 Miss Kalamaras?

25 A. That's right.

00109

1 THE VIDEOGRAPHER: We are back on the record
2 at 1:34 p.m.

3 BY MR. SCHWARTZ:

4 Q. If you could go to -- back to Exhibit 1
5 and turn to No. 18 -- actually, sorry, go back
6 before that, 16. It asks about training programs
7 and materials.

8 Who would be -- who is responsible for
9 training within the -- at the Bank?

10 A. At the bank? We have a training
11 department at the bank that is part of human
12 resources.

13 Q. Okay. And who is the individual
14 responsible for the training program?

15 A. Brian Wallace.

16 Q. Is he a group director?

17 A. Yes.

18 Q. Okay. And is Mr. Wallace's training
19 operation, do they oversee development and
20 training programs and materials for the mortgage
21 corporation, as well as the other units,
22 marketing, et cetera, et cetera?

23 A. It's actually a little different. The
24 mortgage corporation has employees that are
25 responsible for training. Those are actual

00110

1 mortgage corporation employees. And Mr. Wallace
2 has oversight over those individuals.

3 Q. Okay. Who are those people?

4 A. I don't know their names.

5 Q. So -- and then -- and they report to --

6 the trainers within HSBC Mortgage Corporation

7 report to Mr. Wallace, who reports to

8 Miss Ebersole?

9 A. Right. But there is a difference

10 because Mr. Wallace is a bank employee. Those

11 people reporting to him are mortgage corporation

12 employees.

13 Q. Okay.

14 A. And that is a very recent change. That

15 happened earlier this year.

16 Q. Which part of that happened earlier?

17 A. The fact that the mortgage corporation

18 reports up to Jeanne Ebersole. It was up until

19 earlier this year a total separate independent

20 group operating in the mortgage corporation.

21 Q. What was the total separate independent

22 group?

23 A. The learning and development group was

24 part of the mortgage corporation, had no reporting

25 lines up into human resources on the bank side.

00112

1 remove an employee?

2 A. There is actually two. There is

3 differences between disciplining and removing.

4 But there is a corrective action policy that

5 applies across all of -- all employees across the

6 U.S. that provides guidance on how disciplinary

7 action should be done.

8 Q. And that's from HSBC Finance Corp?

9 A. That's correct.

10 Q. And that is through Miss Kalamaras?

11 A. Kalamaras, right.

12 Q. Kalamaras.

13 Now -- and then, you said there's

14 another -- a different policy for --

15 A. It's not a different policy.

16 Terminations would -- human resources is advised

17 on a potential termination.

18 So the guide -- we would provide

19 guidance, human resources, in this case for the

20 mortgage corporation, it would be Jeanie Jennings

21 would provide guidance to the manager on a

22 potential termination.

23 They don't make the decision. The

24 decisions are made by the business and the

25 business manager, but they would provide guidance

00113

1 over the situation.

2 Q. Does the overarching policy for all HSBC
3 entities in the U.S., which is set out by a HSBC
4 Finance Corp, does that policy describe some
5 progressive discipline that managers are supposed
6 to follow?

7 A. It provides guidelines on different
8 steps that can occur, but there is no hard and
9 fast. We are an at-will company, so there is no
10 hard and fast steps. Based on the situation at
11 hand, it would determine what corrective action
12 would be taken.

13 Q. Is that true also of -- that's true of
14 both disciplinary and termination, that the
15 policies come from HSBC finance Corp, the
16 guidance -- the hands-on guidance comes from your
17 HR department, and then it's executed by,
18 obviously, the manager of the particular employee
19 involved?

20 A. That's correct.

21 Q. If you will turn to Topic No. -- and
22 then -- well, just to wrap that up, I assume based
23 on your prior testimony, that beyond that, you
24 don't have specific information as to what would
25 lead to a termination for a loan officer or a

00119

1 human resources system. We use a vendor called
2 PeopleSoft.

3 Q. And I take it, based on your prior
4 testimony, that HSBC Finance Corporation Payroll
5 Services Company manages the PeopleSoft
6 relationship and data?

7 A. Yes. It's managed by HSBC Pay Services,
8 but it also has -- there is some also involvement
9 by HTS, the information technology group.

10 Q. That's what HTS is?

11 A. HTS stands for HSBC Technology Services.

12 Q. That's HTS?

13 A. Yes.

14 Q. Okay. I'm sure it has like six other
15 names, too, but we will go with that.

16 Are you responsible for the naming
17 system for entities of the company?

18 A. No.

19 Q. Okay. Then I don't feel bad making fun
20 of it.

21 Most of my cases have been against the
22 government. You should hear some of the acronyms
23 they come up with.

24 Let's see. So you were talking about
25 employee personnel files, you keep them for 10